

1 UNITED STATES BANKRUPTCY COURT
2 SOUTHERN DISTRICT OF NEW YORK
3 Case No. 23-22095-shl

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5 In the Matter of:

6

7 RAHUL DEV MANCHANDA,

8

9 | **Debtor.**

11 United States Bankruptcy Court

12 | 300 Quarropas Street, Room 248

13 | White Plains, NY 10601

14

15 March 16, 2023

16 2:13 PM

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31 B E F O R E :

22 HON. SEAN H. LANE

23 U. S. BANKRUPTCY JUDGE

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25 | FCBO: APT

1 **HEARING re Status Conference**

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25 **Transcribed by: Sonya Ledanski Hyde**

1 A P P E A R A N C E S :

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3 UNITED STATES DEPARTMENT OF JUSTICE

4 Attorney for United States Trustee

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6 New York, NY 10014

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8 BY: GREG ZIPES (TELEPHONICALLY)

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15 BY: MARIANNE T. O'TOOLE (TELEPHONICALLY)

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22 BY: H. BRUCE BRONSON (TELEPHONICALLY)

23

24 ALSO PRESENT TELEPHONICALLY:

25 MIRIAM GLADDEN

1 P R O C E E D I N G S

2 THE COURT: Good afternoon. This is Judge Sean
3 Lane, in the United States Bankruptcy Court for the Southern
4 District of New York. And we are here for a 2:00 in the
5 Chapter 7 case, Rahul Dev Manchanda, Case Number 23-22095.
6 And we'll start as we always do with appearances. So let me
7 find out who is here for the Debtor in this Chapter 7?

8 MS. GLADDEN: Good afternoon. I called this
9 morning. I'm calling from the law office of Rahul
10 Manchanda.

11 THE COURT: All right. Are you a lawyer?

12 MS. GLADDEN: I am an attorney, but I have to tell
13 you I just found out about this matter this morning when I
14 called you.

15 THE COURT: Well, is Mr. -- I think the direction
16 was to have the Debtor, Mr. Manchanda, here. Is Mr.
17 Manchanda making an appearance?

18 MS. GLADDEN: I have no control over that, sir.
19 And no, he's not here. He's not making an appearance. He
20 asked me to sit on this call.

21 THE COURT: All right. Well, say you're sitting
22 in essentially as an interested member of the public,
23 essentially.

24 MS. GLADDEN: Say it again?

25 THE COURT: So, I will -- well, we'll get to it.

1 All right. I have your appearance. So let me get Mr.
2 Bronson's appearance.

3 MR. BRONSON: Bruce Bronson, on behalf of the
4 Debtor, I suppose, Your Honor.

5 THE COURT: All right. And the Chapter 7 Trustee?
6 Oh, you're on mute.

7 MS. O'TOOLE: See that? I'm being warned.
8 Marianne O'Toole, the Chapter 7 Trustee.

9 THE COURT: All right. And on behalf of the
10 United States Trustee's office?

11 MR. ZIPES: Good afternoon, Your Honor. Greg
12 Zipes, with the U.S. Trustee's office.

13 THE COURT: All right. Good afternoon. And any
14 other appearances? All right. So this status conference
15 was scheduled at my request for a number of reasons. And so
16 let me sort of set the stage.

17 On the one hand, Mr. Manchanda, as the Debtor, has
18 been sending an extensive amount of emails to chambers. And
19 I think visual -- a picture's worth a thousand words. I
20 think this is the stack of the emails that we've received.
21 I think, if I'm counted correctly, there's some 19 emails
22 that we've received. And email communications with chambers
23 are not the norm. In fact, we didn't really have much of
24 them at all, other than people submitting proposed orders.
25 We had some modifications to that during COVID, but it's

1 never meant to be a substantive channel for communication
2 with the Court. People are supposed to file things on the
3 docket.

4 There's another point as to the emails, which is
5 that they contain some wildly inappropriate information. I
6 don't really know how else to say it. So, one of them
7 contains Mr. Manchanda's communications back and forth with
8 other people, complaining about his conflicts with the Chief
9 Clerk and Chief Judge in New York Civil Courts. Another has
10 his complaints about somebody who is some fee dispute
11 committee chief. There's actually an expletive used to
12 describe her.

13 And others are also inappropriate; perhaps not
14 wildly inappropriate, but they include communications
15 between Mr. Manchanda and Mr. Bronson about various things
16 that are supposed to happen or not happen in the case, which
17 of course are attorney-client communications.

18 So it will come as no surprise, I think, to the
19 U.S. Trustee, to Mr. Bronson or Ms. O'Toole that I -- in
20 light of this avalanche of information that's been submitted
21 this way, that I'm going to order that... Well, let me ask,
22 before I do.

23 One other thing that's a problem is Mr. Manchanda
24 is sending these for the Debtor directly to chambers, when I
25 understand Mr. Bronson is currently his counsel in this

1 Chapter 7 case. And so we can't communicate directly with
2 somebody who is represented. That's how the ethical rules
3 work. So that's another significant hurdle.

4 So the takeaway, which is that I'm going to -- I
5 have to issue an order that requires that any communications
6 Mr. Manchanda wants to make, or Mr. Manchanda's counsel
7 wants to make with the Court, the Bankruptcy Court, need to
8 be on the docket like everybody else, filed on the docket.
9 There are rules about that. I understand Mr. Manchanda's an
10 attorney, so I certainly would imagine he understands how
11 that's supposed to work.

12 And certainly, in those communications I would
13 certainly encourage him to avoid the kind of -- a lot of the
14 kind of information that, frankly, is being submitted to me
15 in these emails. And that becomes even more clear when
16 there was something that was actually said to the Bankruptcy
17 Court Clerk's office that was not filed. And it was filed
18 by -- again, by Mr. Manchanda, who again is represented in
19 this case. And there are a couple of these filings.

20 And one of them that is entitled, "Notice of
21 Motion for Contempt Against Dennis (indiscernible) and Tory
22 (indiscernible), and Paragraph 2 and 3 has -- I don't know
23 what else to call it other than ethnic slurs that are
24 contained. And so, because of that, when we received them
25 the Clerk's office asked me whether they should be filed,

1 and I did not file them because they contained that kind of
2 scandalous inappropriate -- wildly inappropriate
3 information.

4 And so I can get into the details of this but,
5 frankly, talking about insurance entities, motivated and
6 pushed by mainly Jewish ethnic organized crime in New York
7 City to try and essentially take actions against him.

8 That's Paragraph 2.

9 Another talks about ethnic corruption, certain
10 ethnic over-representation. And so things that are wildly
11 inappropriate and, frankly, it was very hard to figure out
12 where some or any of this had to do with the actual
13 bankruptcy case.

14 So there's a couple of these that were sent to the
15 Clerk's office but were not filed because they contained
16 that kind of a problem. And they were all -- one was
17 another notice of grievance that he's -- apparently he's
18 filing with some other courts. And so they contain similar
19 sort of ethnic slurs that I did not -- I directed the
20 Clerk's office not file. I have them here, but I'm not
21 going to put them on the docket.

22 So that's why I wanted Mr. Manchanda here to hear
23 it directly from me as to what my concerns are. And
24 frankly, it's astonishing that I would have these kind of
25 concerns of somebody who's a lawyer who is a debtor. But

1 nonetheless, that's where we are.

2 So, I know Mr. Bronson has filed a motion to
3 withdraw as counsel in the Chapter 7 case. That's on for
4 April. We already had a hearing date for that. And that
5 will go ahead as scheduled. But in the meantime, I'm going
6 to enter an order that bars the submission of any email to
7 chambers and directs that everything be put on the docket,
8 filed on the docket. The Court reserves the Court's right
9 to essentially strike something on the docket if it contains
10 scandalous information (indiscernible) --

11 MR. BRONSON: Your Honor, you froze for a second,
12 just as you were referencing my motion to withdraw as
13 counsel.

14 THE COURT: Oh. All right.

15 MR. BRONSON: So I didn't hear what you said right
16 after --

17 THE COURT: No, that's fine. Sorry. The hazards
18 of the COVID era. So your motion is going to go ahead as
19 scheduled. But in light of the kind of information we're
20 receiving, I didn't want to wait until then to address these
21 issues.

22 And so that's why I'm going to issue an order that
23 bars the submission of emails by Mr. Manchanda directly to
24 chambers, and he's going to do what everybody else does,
25 which is file things on the docket of the Court in his case.

1 But they have to be about his case. And if they contain
2 scandalous or defamatory information, they will be stricken,
3 or when the Clerk's office comes to me with the inevitable
4 question, should this be filed, Judge, I will say, no, I
5 will hold onto it. So it will be part of the record but it
6 won't be on the public docket.

7 So I would hope that Mr. Manchanda would be here
8 to hear these kinds of concerns so that he can act
9 accordingly, but he seems intent on not being here.

10 So, with that, I realize that since I called the
11 conference, I thought it was only fair and incumbent upon me
12 to sort of lay out why I did and where -- what issues I had
13 -- led to the conference and what actions I'm going to take.
14 And then I thought, the people who are here, I'm happy to
15 canvass the room if anybody has any other concerns or other
16 suggestions about ways to proceed.

17 So let me start -- Mr. Bronson, I know you have a
18 motion to withdraw for a Chapter 7, so you may or may not
19 have anything you want to add beyond that. But anything --
20 I'll give you the opportunity, obviously.

21 MR. BRONSON: Well, Your Honor, you got 19 emails;
22 I got 1,019 emails. I guess I need to limit, you know, what
23 I'm saying here. But I think it's -- my problems with the -
24 - I thought I could thread the needle and get this client to
25 a discharge in the Chapter 7. And I think we were well on

1 the way to do that. But when --

2 THE COURT: Well, we're not going to deal with
3 your motion to withdraw now, so --

4 MR. BRONSON: I know.

5 THE COURT: -- I just say that, just because I
6 don't -- you know, you're obviously free to comment on it,
7 but you're also free to wait until we have a hearing.

8 MR. BRONSON: My -- the only thing is, I cannot
9 represent somebody that questions my ethics and my morality
10 and makes the kind of statements that Mr. Manchanda made to
11 me. And you know, that's -- I could -- again, at the net
12 hearing, you know, maybe I'll go into more detail, maybe I
13 won't.

14 But there's a plethora of -- he's put a grievance
15 in on me. He's put a grievance in on Ms. O'Toole. Or at
16 least I've seen copies of them. I think they've been filed.
17 And the statements are ridiculous, Your Honor. And I just
18 can't -- I can't represent somebody that isn't going to
19 follow my advice. I did think I could get a difficult case
20 like his to the finish line. And I'm sorry, I just can't --
21 I can't do that in light of the statements he's made about
22 me.

23 THE COURT: All right. All right. Well, we're
24 going to keep your motion on. I'm trying to remember what
25 date we had set in April. Is it April 6th?

1 MR. BRONSON: April 6th, Your Honor.

2 THE COURT: Okay. So we'll deal with that on
3 April 6th. And to the extent that there's from Mr.
4 Manchanda's office here, April 6th is the date. And so, Mr.
5 Manchanda, I'm considering has more than ample notice of
6 that. So (indiscernible) --

7 WOMAN 1: I will relay the information to him
8 immediately. I understand.

9 THE COURT: All right. Thank you. So, with that,
10 I'll turn to the Chapter 7 Trustee, Ms. O'Toole. And again,
11 in each of these instances, people may have something they
12 want to say, they may not. But I wanted to give you an
13 opportunity. So let me hear from the Chapter 7 Trustee.

14 MS. O'TOOLE: Your Honor, I have nothing to add.
15 I would only ask, could you ask the person on the phone to
16 identify who she is by name?

17 THE COURT: That seems like a very fair request.

18 MS. GLADDEN: Hello.

19 THE COURT: Hello?

20 MS. GLADDEN: Yes. My name is Miriam Gladden, and
21 I'm here from the Manchanda's office.

22 THE COURT: All right. Thank you very much.
23 Anything else for the Chapter 7 Trustee?

24 MS. O'TOOLE: No, Your Honor.

25 THE COURT: All right. And last but not least,

1 Mr. Zipes, anything from the United States Trustee's office?

2 MR. ZIPES: Your Honor, Greg Zipes, with the U.S.
3 Trustee's office. I wasn't sure what this conference was
4 going to be and I understand the Court is entering an order.
5 Can I make an unusual request and just adjourn this five
6 minutes -- five minutes so I can confer internally and just
7 --

8 THE COURT: Yeah. That would be fine. I realize
9 people had no idea what I was going to say. And frankly, I
10 had a busy couple weeks, so I didn't have a chance to draft
11 an order, to set the schedule and explain what I was going
12 to say. So that's fine. I'm happy to do that. So I'll --

13 MR. ZIPES: I may have --

14 THE COURT: I'll put myself on mute and you can do
15 the same and then come back. That would be fine.

16 MR. ZIPES: It'll be no more than five minutes,
17 and it may be that -- the order -- we may have an additional
18 request. But, let me just --

19 THE COURT: Okay. That's fine. So we'll -- I'll
20 hold on. I'm going to put myself on mute. And I'll unmute
21 myself when you come back.

22 MR. ZIPES: Thank you.

23 (Recess)

24 THE COURT: All right. I see Mr. Zipes back on
25 the Zoom. So, with that, I'll pass the virtual podium over

1 to him.

2 MR. ZIPES: Yes. Your Honor, thank you. My
3 office is obviously alarmed if the Court is getting email
4 correspondence. Pro se debtors every once in a while need
5 to be educated and they have to be taught that parties are
6 entitled to notice of these documents, but also in light of
7 the way the Court is characterizing them.

8 So, what I'm struggling with a little bit is -- I
9 think my office wants to see these documents, but it could
10 be limited to any future documents. So the Debtor is now on
11 notice at the moment, but if the Debtor continues with these
12 filings with the Clerk's office, I think my office would
13 want to see these, whatever is being filed. And --

14 THE COURT: So, perhaps we could do this. We
15 could enter an order that prohibits the submission of things
16 by email, gives sort of a counsel to the Debtor, who -- it's
17 a matter of title, perhaps only, he's represented by Mr.
18 Bronson, but it sounds like communications have irreparably
19 broken down. So it gives him notice about submitting things
20 and what kind of content is appropriate.

21 And the order could also reserve the U.S.
22 Trustee's office right to request to see any and all
23 documents submitted directly to the Court in the future,
24 should the need arise and that request be appropriate. No
25 problem with that.

1 MR. ZIPES: Thank you, Your Honor. And if we need
2 to refine that, we would probably do it by application to
3 the Court.

4 THE COURT: All right. And if you want, the other
5 parts of that order are fairly straightforward, which is no
6 file -- no submissions by email. If you want to -- if you
7 want to draft the order so that you get the language in a
8 way that's comfortable for your office, I'm happy to do
9 that. Otherwise, we're happy to drafted in chambers.
10 Whatever you prefer.

11 MR. ZIPES: Your Honor, I don't -- I think it's
12 most appropriate for the Court to draft --

13 THE COURT: All right.

14 MR. ZIPES: -- the order.

15 THE COURT: That's fine. That's fine. All right.
16 So, with that, I think the reason for this status conference
17 being convened has been accomplished. And while we always
18 hope that filings, new cases reach successful conclusions,
19 there are certain rules of the road and they need to be
20 followed.

21 So I'll get that order out and I expect I will see
22 you all on April 6th. If there's any reason to chat about
23 things before then, folks can request a conference, just on
24 notice to all interested parties, and I'd be happy to do
25 that if I can be of assistance. But otherwise, I'll see you

1 April 6th.

2 MR. ZIPES: Your Honor, I just want to apologize
3 for not having a jacket. I'm traveling and I didn't bring
4 one.

5 THE COURT: That's fine. You have a tie. And
6 during COVID, there were quite a few appearances without a
7 tie. And sometimes I was sitting in my daughter's bedroom,
8 which I had made a makeshift work area, which was a bit of a
9 disaster. And I (indiscernible) if I put on a tie and a
10 robe, the least you could do is put on a tie.

11 MR. ZIPES: Yes.

12 THE COURT: So, no, it's perfectly fine. All
13 good. If that's my big problem today, I have no problems at
14 all. Thank you very much and have a good afternoon, all.
15 And see you April 6th at (indiscernible). Thank you.

16 MS. GLADDEN: Thank you.

17 MAN 1: This guy was from the U.S. something, he
18 was talking. He said it's only fair that we get our -- we
19 get a copy of all those emails that were sent by Mr.
20 Manchanda to the Clerk's office. The Judge said no problem
21 (indiscernible).

22 WOMAN 1: He's from the U.S. what?

23 MAN 1: I think the U.S. Office something,
24 trustees, or...?

25 WOMAN 1: Well, the Judge is going to send an

1 order out and the order is going to direct Manchanda not to
2 contact chambers directly, not to email chambers --

3 MAN 1: Yeah.

4 WOMAN 1: -- to avoid using any inappropriate
5 language --

6 MAN 1: To put everything on the docket.

7 WOMAN 1: Okay. Yes. So --

8 MAN 2: He's going to draft another order for this
9 --?

10 WOMAN 1: This is not an order. This is a phone
11 call.

12 MAN 2: Hmm?

13 WOMAN 1: This is just a conference call. He's
14 going to draft an order saying that. I guess it'll be here
15 in a couple of days.

16 MAN 1: Yeah. And he's --

17 WOMAN 1: Well, it'll be on the email. It'll be
18 on the uploaded --

19 MAN 1: Right. And he's also going to like draft
20 an order or something that allows this guy to have an access
21 to those emails, because he wants a copy of them. The last
22 guy he was talking --

23 WOMAN 1: Yeah, but what's the last guy going to
24 do with them?

25 MAN 1: I don't know. He said it's -- remember

1 when he asked for five minutes? He said my office's
2 requesting that it's only fair that we get a copy of all
3 those emails that are being sent to the Clerk's office --

4 WOMAN 1: Is he from the Attorney Grievance
5 Committee?

6 MAN 1: No, he said, I'm from the U.S. something.
7 I didn't get it. U.S. something. Did you get it
8 (indiscernible)? Get that name?

9 WOMAN 2: Please disconnect from the call.
10 (Whereupon these proceedings were concluded at
11 2:38 PM)

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1 C E R T I F I C A T I O N

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3 I, Sonya Ledanski Hyde, certified that the foregoing
4 transcript is a true and accurate record of the proceedings.

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6 *Sonya M. Ledanski Hyde*

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8 Sonya Ledanski Hyde

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25 Date: April 4, 2023